

Spotlight on Small Business Developers and App Creators on the App Store

The success and growth of global app entrepreneurship

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May 2022

Highlights

- More than 90% of all developers on the App Store are small developers, and thousands of new small developers from all around the world join the App Store every year.
- Earnings for small developers active in 2019 increased by 113% between 2019 and 2021, with growth significantly outpacing that of large developers.

The App Store ecosystem supports app creators and developers that offer more than 1.8 million apps to over one billion App Store customers worldwide. This spotlight focuses on small businesses and developers, and their growth and success on the App Store, and updates and expands on our analyses of small businesses in our previous report, *A Global Perspective on the Apple App Store Ecosystem* (June 2021).

Specifically, we look at small developers, which we define as those with less than \$1 million in earnings and fewer than one million downloads across all their apps in a given year. (See Definition in Sidebar; note these criteria are not the same as those of the App Store Small Business Program.) **More than 90% of developers on the App Store are considered small developers**, and the App Store ecosystem continues to attract thousands of new small developers every year.

Definition of Small Developer

We consider a developer on the App Store to be a small developer in a given year if it had fewer than one million downloads and less than \$1 million in earnings across all its apps in that year. We exclude developers who never had more than 1,000 annual downloads. These criteria are broader than those of the App Store Small Business Program. In particular, our definition includes businesses that do not sell digital goods and services directly on the App Store.

App Store Small Business Program

In January 2021, Apple launched the App Store Small Business Program, through which new developers and developers who earned up to \$1 million on the App Store in the prior calendar year can qualify for a reduced commission rate of 15%.

The global reach of developers on the App Store

The App Store offers opportunities for small and independent developers to thrive and distribute their innovative apps to over one billion customers globally. In 2021, **thousands of small developers joined the App Store from all around the world**, with approximately 24% from Europe, 23% from China, 14% from the United States, 4.3% from Japan, and 34% from other regions, including South Korea, India, and Brazil. And the number of new small developers joining the App Store continues to grow. In the United Kingdom for example, the number of new small developers grew by almost 40% since 2019, and in Germany, it grew by over 25%.

Joining the App Store allows developers—including small developers with limited resources—to take advantage of the App Store's global distribution platform to offer and seamlessly distribute their apps (and app updates) to customers worldwide. Our analyses show that many small developers take advantage and promote, sell, and distribute their goods and services globally. In 2021, nearly 80% of small developers were active on multiple storefronts and **about 40% of total downloads of apps from small developers came from users outside of each developer's home country**. Moreover, developers that monetize their apps by selling digital goods and services on multiple storefronts have earnings from users on more than 40 storefronts on average.

40%

of all downloads of apps from small developers came from users outside of each developer's home country

The growth of small developer earnings on the App Store

Apps have come to play a key role in offering users the flexibility to work from anywhere, communicate with families and friends, and engage with each other in a more digital world. Developers small and large who helped enable and support this digital shift with their innovations and creative ideas have seen their earnings increase.

In particular, total App Store **earnings of small developers who were active in 2019 have increased by 113% over the last two years**.¹ In aggregate, small developers in all major regions have seen their earnings increase over this period. For example, those in **France** and the **United States** saw an above-average increase, with App Store earnings increasing by **122%** and **118%**, respectively.

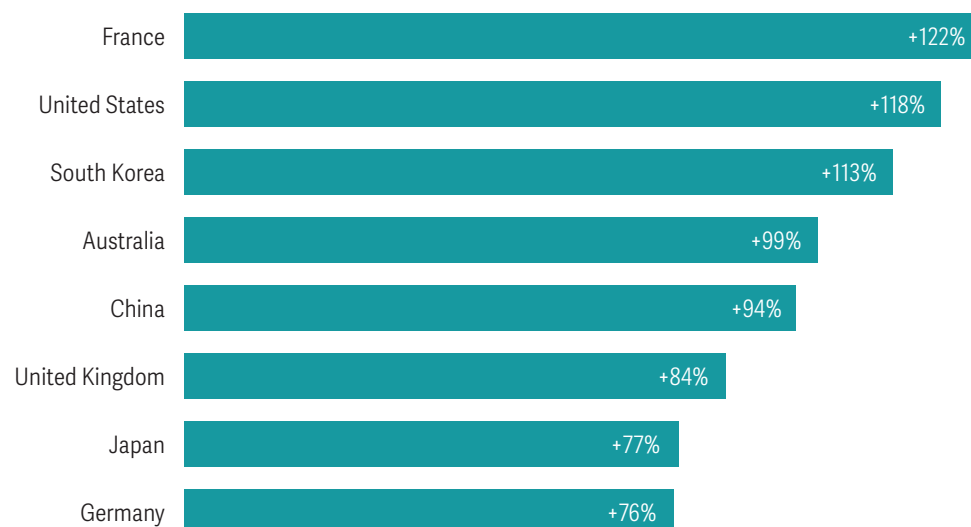
Total earnings of small developers active in 2019 have increased by

113%

over the last two years

¹ To limit the effect of a few large-scale successes driving the results, this analysis excludes developers that earned \$10 million or more in any subsequent year.

Growth in App Store Earnings of Small Developers Active in 2019 Select Countries, 2019-2021



More than

2x

growth in earnings
of small developers
compared to large
developers

Further, our analysis shows that the aggregate **growth rate in earnings of small developers who were active in 2019 exceeds that of large developers** by more than double.

Examples of apps from small developers



Uptime: 5-min Books, Courses (United Kingdom, 2020) This education and entertainment app combats information overload, shortening attention spans, and limited time by providing key insights from leading books, courses, podcasts, and documentaries to help users develop new skills and find daily motivation. In the last two years, the app has experienced more than 500,000 downloads, doubled the number of full-time employees, and is now available to users in 175 regions across the world.



Rootd - Panic Attack Relief (Canada, 2017) Created by solo entrepreneur Ania Wysocka, this app helps people understand and overcome anxiety and panic attacks with science-based guided deep breathing, an anxiety journal, soothing visualizations, and lessons. Since its launch, Rootd has experienced a nearly 200% year-over-year increase in billings and has been highlighted in several editorial features on the App Store.



The Island: Brave Heart (China, 2016) Created by Fengniao, a small gaming studio of six, this app allows users to explore and survive on a deserted island. The developers participated in various app accelerators and training programs offered by Apple and, in 2021, the app experienced a 190% year-over-year increase in downloads and a 129% increase in App Store billings.

A dynamic App Store ecosystem offers opportunities for small developers to grow

The App Store ecosystem is dynamic and continues to offer opportunities for small developers to thrive with new and innovative ideas, with nascent developers consistently joining the ranks of successful and well-established developers. To analyze the growth path these developers took to achieve success on the App Store, we looked beyond our definition of small developers and examined **developers who sold digital goods and services on the App Store and earned more than \$1 million in 2021**. Among this set of developers, **over 45% were either not on the App Store or had less than \$10,000 in earnings five years before**. In China, this share exceeded 55%. These results show the success of nascent developers with innovative ideas and highlight the opportunities provided by the App Store for new and small developers.

Examples of apps from nascent developers that have outgrown the small developer category



Podimo: Podcasts & Audiobooks (Denmark, 2019) Available in Denmark, Germany, Norway, Spain, the Netherlands, and 17 countries in Latin America, Podimo offers ad-free podcasts, audiobooks, and local-language content from around the world to hundreds of thousands of monthly global subscribers. Launched by a team of 10 employees, Podimo has quickly grown to over 170 employees across 20 countries.



Jumbo: Privacy + Security (United States, 2019) This privacy and security assistant protects users from online risks such as data breaches, online tracking, unwanted social media posts, and unsecured Wi-Fi networks. The app has raised \$30 million in funding and the team behind it quickly grew from 10 to 35 full-time employees. Built entirely on Swift, Jumbo has been downloaded more than 1.5 million times, and its App Store billings increased by 23% year over year.



iHuman Pinyin (China, 2019) This Chinese phonetic learning app helps more than three million children integrate Pinyin curriculum elements, including scenario-based activities, kids-oriented designs, and technical innovations, and it continues to expand to multi-modal content and other activities to help children learn easily. Since its launch, the app has been downloaded by more than 20 million users and has seen an annual growth of more than 60% in the last two years.

About the Authors

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